

## Message Text

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ACTION ARA-20

INFO OCT-01 EUR-25 IO-14 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 EB-11 COME-00 FEA-02 TRSE-00 INT-08

CIEP-02 OMB-01 FPC-01 IGA-02 DRC-01 /162 W

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R 121805Z MAR 74

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC 6146

INFO AMEMBASY BRIDGETOWN

AMEMBASSY CARACAS

AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

AMEMBASSY VIENNA

USMISSION USUN NEW YORK

C O N F I D E N T I A L PORT OF SPAIN 0579

E.O. 11652: GDS

TAGS: ENRG, PFOR, TD

SUBJECT: ENERGY: PM WILLIAMS REAFFIRMS GOTT PARTICIPATION POLICY

REF: POS 409 AND PREVIOUS

SUMMARY: IN HIS LATEST ENERGY POLICY STATEMENT, PRIME MINISTER WILLIAMS ANNOUNCED THAT THE GOTT'S EQUITY PARTICIPATION POLICY WILL ENCOMPASS ALL EXISTING PETROLEUM INVESTMENTS, INCLUDING AMOCO AND SHELL. (THE GOTT IS ALREADY DISCUSSING TERMS OF ITS PARTICIPATION WITH TEXACO AND SHELL, BUT AMOCO HAS NEVER INDICATED MUCH WILLINGNESS TO TALK.) THE PRIME MINISTER SAID THAT TRINIDAD'S NATURAL GAS RESERVES WILL PROVE MORE IMPORTANT FOR NATIONAL DEVELOPMENT THAN ITS CRUDE SUPPLIES, AND HE PORTRAYED THE GOTT AS BEING COURTED BY ENERGY-HUNGRY POTENTIAL INVESTORS IN VARIOUS INDUSTRIAL PROJECTS. FOR THE FIRST TIME, WILLIAMS TOUCHED BRIEFLY ON US POLICIES, AND INDICATED THAT HE HOPED THE US COMMITMENT TO WORLD TRADE WILL KEEP THE US FROM INSISTING UPON A GOAL OF ABSOLUTE ENERGY SELF-SUFFICIENCY

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HE ALSO HINTED THAT TRINIDAD MIGHT DEVELOP A MERCHANT MARINE OR TANKER FLEET, AIDED BY CARGO PREFERENCES. COMMENT: THE TWO PRECEDING POINTS MAY WELL BE FURTHER DEVELOPED BY THE GOTT'S OIL MISSION WHEN IT VISITS WASHINGTON--POS 565 (NOTAL). END SUMMARY.

1. FOR HIS LATEST DISCOURSE ON THE SUBJECT OF ENERGY POLICY, PRIME MINISTER WILLIAMS CHOSE THE UNUSUAL (FOR HIM) MEANS OF GRANTING AN EXCLUSIVE INTERVIEW TO THE GUARDIAN NEWSPAPER, PUBLISHED MARCH 10-12. HE AGAIN EMPHASIZED THE GOTT'S DETERMINATION THAT TRINIDAD'S NATURAL RESSOURCES BE USED TO PROMOTE INDUSTRIAL DEVELOPMENT PROJECTS IN WHICH THE GOTT WILL HAVE EQUITY PARTICIPATION, AND ANNOUNCED THAT A WHITE PAPER WILL BE ISSUED TO DELINEATE THE GOTT'S POSITION. FOR THE FIRST TIME, HE HINTED THAT SUCH INDUSTRIAL PARTICIPATION MIGHT EXTEND INTO MARITIME SHIPPING, NOTING THAT MANY NATIONS INSIST THAT A CERTAIN PROPORTION OF THEIR EXPORTS BE CARRIED BY THEIR OWN SHIPS. WILLIAMS SAID THAT OTHER OIL PRODUCERS ARE ESTABLISHING THEIR OWN TANKER FLEETS AS PART OF THEIR INCREASED PARTICIPATION IN DOWNSTREAM PETROLEUM ACTIVITIES, AND CLAIMED THAT A PROPOSAL HAS BEEN MADE TO ESTABLISH A SHIPBUILDING INDUSTRY IN TRINIDAD.

2. WILLIAMS SAID THAT THE GOTT'S PARTICIPATION POLICY WILL EMBRACE ALL EXISTING PETROLEUM INVESTMENTS IN TRINIDAD, INCLUDING AMOCO'S EXTENSIVE OFFSHORE OIL AND GAS FIELDS. WITH REGARD TO HIS EARLIER ANNOUNCEMENT (POS 155) THAT THE GOTT HAD REACHED "AGREEMENT IN PRINCIPLE" UPON PARTICIPATION IN TEXACO, THE PRIME MINISTER BACKED DOWN A BIT AND SAID THAT "BROAD GENERAL DISCUSSIONS" ARE UNDERWAY WITH TEXACO. HE ALSO REVELAED THAT SHELL HAD VOLUNTEERED AN OFFER FOR GOTT PARTICIPATION IN ITS LOCAL PRODUCTION AND REFINING ACTIVITIES, WHICH THE GOTT HAD REJECTED BUT COUNTERED WITH AN ALTERNATIVE PROPOSAL "MUCH GREATER IN SCOPE." NOTING THE DIFFICULTIES IN OBTAINNING ASSURED SOURCES OF SUPPLY FOR CRUDE, WILLIAMS SAID THAT THE NEW 300,000 BPD REFINERY PROPOSED BY TESORO (POS 403) WOULD BE A "SERIOUS GAMBLE." (WE UNDERSTAND PRIVATELY THAT TESORO'S OFFER TO BUILD A PETROCHEMICALS COMPLEX IS MUCH MORE LIKELY TO BE ADOPTED BY THE GOTT, WHICH CHOSE EARLIER TO HIGHLIGHT THE REFINERY PROPOSAL LARGELY FOR POLITICAL PURPOSES.)

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3. FOR THE FIRST TIME IN HIS ENERGY STATEMENTS, THE PRIME MINISTER REFERRED TO UNITED STATES' TRADE AND ENERGY POLICY, WHICH MAY BE RELATED TO HIS SUDDEN DECISION TO HAVE ONE OF THE OIL MISSIONS VISIT WASHINGTON. WILLIAMS DREW ATTENTION TO THE FACT THAT THE US HAS SET A GOAL OF 1980 FOR ENERGY SELF-SUFFICIENCY, AND SAID THAT WHILE THIS DATE MAY BE OPTIMISTIC, TRINIDAD SHOULD NEVER DISCOUNT THE FACT THAT THE US HAS THE MEANS TO ATTAIN THIS GOAL. THE QUESTION, HE SAID, IS THAT WITH "THE LARGEST PETROLEUM

MARKET IN THE WORL, AND SO MANY FRIENDS OR ASSOCIATES OUTSIDE, COULD THE US AFFORD TO BECOME COMPLETELY INDEPENDENT OF ALL THESE COUNTRIES OUTSIDE?" THE PRIME MINISTER SAID THAT HE FELT THE US INTEREST IN WORLDTRADE, AND THE INTERNATIONAL CONNECTIONS AND RESPONSIBILITIES OF THE US, WOULD BE FACTORS WHICH SHOULD INFLUENCE IMPLEMENTATION OF THE US DECISION TO DEVELOP ENERGY SELF-SUFFICIENCY.

4. WHEN QUERIED AS TO THE STATUS OF TRINIDAD'S BID FOR OPEC MEMBERSHIP (VETOES BY IRAQ IN JUNE 1972), WILLIAMS SAID THAT THE APPLICATION IS STILL IN, AND THAT HE BELIEVES THAT "THE GOVERNMENT WHICH REFUSED TO RATIFY HAS INDICATED THAT IT PERHAPS WAS NOT FULLY AWARE OF ALL THE FACTS." THE PRIME MINISTER SAID THAT OPEC'S EXPORT EMPHASIS MIGHT CHANGE NOW THAT PRODUCERS WERE BECOMING INVOLVED IN ALL PHASES OF THE PETROLEUM INDUSTRY, AND IMPLIED THAT TRINIDAD THUS WILL HAVE MORE IN COMMON WITH OPEC MEMBERS IN THE FUTURE. EVINCING LESS INTEREST THAN HERETOFORE IN OPEC MEMBERSHIP, WILLIAMS CLAIMED ARAB VISITORS HAD TOLD HIM THAT THE GOTT'S PARTICIPATION POLICY WAS MORE FULLY DEVELOPED THAN THAT OF SOME OPEC STATES. WILLIAMS APPEARED SATISFIED WITH TRINIDAD'S OBSERVER ARRANGEMENT AT OPEC, AND REPEATED THAT THE GOTT WOULD NOT ACCEPT ASSOCIATE MEMBER STATUS.

5. THE GOTT, AND ESPECIALLY PRIME MINISTER WILLIAMS, CLEARLY RELISHES THE HEADY EXPERIENCE OF BEING COURTED BY ENERGY-HUNGRY INTERNATIONAL INVESTORS. WHEN QUESTIONED ABOUT HIS FREQUENT DIATRIBES AGAINST MULTINATIONAL CORPORATIONS, WILLIAMS SAID THAT TRINIDAD IS NO LONGER DEPENDENT UPON THEM, BECAUSE NOW THE GOTT ITSELF CAN ARRANGE FINANCING--BACKED BY ITS ENERGY RESERVES--AND THEN APPROACH A MULTINATIONAL CORPORATION AS A PARTNER IN THE PROPOSED VENTURE. THE MNC'S, WILLIAMS CONTINUED, WILL FADE IN IMPORTANCE IN THE OIL  
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## Message Attributes

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**TAGS:** ENRG, PFOR, TD  
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